GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:4380
ANSWERED ON:19.04.2002
COUNTER GUARANTEE FOR RAISING FUNDS FOR VRS
SUBODH MOHITE;THAAWAR CHAND GEHLOT

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether some public sector undertakings are suppressing their losses and showing inflated profits to make them more attractive to bidders at the time of disinvestment;

(b) if so, the details thereof;

(c) whether the Government are considering to give a counter-guarantee to the companies for raising funds from market for the VRS;

(d) if so the details thereof; and

(e) if not, the reasons thereto?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) & (b): No, Sir. The PSUs accounts are regularly audited by the CAG and the bidders are given full opportunities to appraise the condition of plants and finances.

(c) to (e): When Central PSUs do not have requisite internal resources, Government has a scheme of giving guarantee for raising funds for VRS from the market and giving 50% interest subsidy.